

CalPERS Ethics Helpline

SUMMARY OF CLOSED SUBSTANTIATED CASES
3/16/2011– 7/15/2011

Abuse of Authority

Case ID Number: 2010-007

Allegations of Abuse of Authority - CalPERS Project Managers accused of hostile work environment, abusive management styles, and retaliation. Three consultants have been removed from the CalPERS Project. All Division Management have received additional management training by their Assistant Executive Officer.

Closed: Counseled (verbal/written warning)

Abuse of Authority

Case ID Number: 2010-018

CalPERS Project Managers - circumstances as stated for 2010-007.

Closed: Counseled (verbal/written warning)

Retirement Fraud or Abuse- Legal

Case ID Number: 2010-008

City Council Member, convicted of felony bribery charges and incarcerated. Restitution has been demanded for back payments and benefits were adjusted, resulting in forfeiture. Overpayments were refunded, and procedures were changed/ reinforced. CalPERS is establishing procedures to avoid risk of convicted members collecting benefits.

Closed: Forfeiture of Member Benefits

Legal Issues

Case ID Number: 2010-009

Allegation of misuse of State property – Board Member inappropriately used CalPERS headquarters' address on campaign material.

Closed: Counseled (verbal/written warning)

Data Privacy

Case ID Number: 2010-013

Reporter observed similar name on CalPERS website, and reported it as possible identity fraud and data privacy issue. CalPERS removed individual from website. Individual on website was a valid loan officer with another bank. No data was illegally divulged, as the individual was a licensed loan officer. The Investment Office is implementing new procedures to review status of loan officers to avoid future issues.

Closed: Procedures Changed/Reinforced

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Business Relationships with Clients**Case ID Number: 2010-014**

Conflict of Interest: Reporter alleged that named Advisory Board member may have economic interest in transactions on which the individual is advising. The Office of Audit Services (OFAS) expanded its agreed-upon procedures to include a review of Advisory and Investment Committee roles and responsibilities to ensure related party transactions are disclosed and transparent to all investors in each partnership fund. The OFAS also included the relevant organization for review in the next audit cycle.

Closed: Procedures Changed/Reinforced

Retirement Fraud or Abuse- Unreported Death**Case ID Number: 2010-016**

Unreported Death of CalPERS member. Individual reported member death; alleged that relatives engaged in financial misconduct and inappropriate collection and expenditure of benefits. Record of death was completed by CalPERS. CalPERS sent letter to the member's bank requesting back payments to the date of death.

Closed: Return of Overpayment

Accounting and Auditing Matters**Case ID Number 2010-022**

Reporter questions eight economically dependent children for one member. Member requested removal of six economically dependent children.

Closed: CalPERS Member Benefits Adjusted

Information Security and Records**Case ID Number: 2010-029**

Spouse of CalPERS retiree alleged her HIPAA rights violated by pharmacy. Health Plan reported a privacy violation involving one CalPERS member. Health Plan stated this was due to a manual data entry error and the pharmacy technicians involved have been identified and coached. Vendor will also review the proper procedures and policies in place with staff that create orders for Health Plan members, as well as those who send letters. Vendor will send a letter to the member in response to the Personal Health Information disclosure.

Closed: Procedures Changed/Reinforced

Sexual Harassment**Case ID Number: 2010-036**

Graphic magazine received in mail, addressed to CalPERS employee. Employee was counseled by Management. In addition, Management sent an email to all staff, directing them to refrain from providing office address for personal mail or marketing materials.

Closed: Counseled (verbal/written warning)

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Compliance with Laws and Regulations**Case ID Number: 2010-048**

Member notified not entitled to employer paid CalPERS Insurance and is responsible for paying monthly premium. Member no longer wished to be enrolled in health and since the member had not received any services or had any prescriptions filled, health coverage was retroactively terminated. As a result, the member did not owe the health plan any money.

Closed: CalPERS Member Benefits Adjusted

Computer, Email and Internet Use**Case ID Number: 2011-060**

A CalPERS employee alleged that a co-worker spends long periods of the time on the internet during normal business hours to avoid working. All staff were coached on the internet policy; the employee involved in the internet activity received a counseling memorandum.

Counseled (verbal/written warning)

Retirement Benefits Fraud or Abuse**Case ID Number: 2011-072**

Reporter alleged that a city manager misreported the job classifications of some city employees to CalPERS in an attempt to get around CalPERS' hour restrictions. An audit of the city revealed that one employee was misclassified as an independent contractor.

Closed: Procedures Changed/Reinforced

Accounting and Auditing Matters**Case ID Number: 2011-073**

A public agency employee alleged that for the past seven years, her employer failed to bring her into CalPERS membership. CalPERS staff sent the reporter's employer official instruction to begin reporting the employee's earnings, and a calculation of the arrears period will be posted to the reporter's account.

Closed: CalPERS Member Benefits Adjusted

Data Privacy**Case ID Number: 2011-077**

Member was a victim of identity theft and requested CalPERS cancel the member's direct deposit and send checks directly to the home address. Member's request was processed and warrant distribution changed.

Closed: Procedures Changed/Reinforced

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Data Privacy**Case ID Number: 2011-079**

Due to a data entry error, a CalPERS member's private personal data was erroneously released to another party resulting in the cancellation of the member's health benefits. CalPERS staff corrected the error, restored the member's benefits and will provide the member with free identify theft protection.

**Closed: CalPERS Member Benefits Adjusted
& Procedures Changed/Reinforced**

Human Resources**Case ID Number: 2011-080**

A CalPERS employee interviewed and was hired to a position in a particular unit and was moved to another work unit and given duties inconsistent with the job posting. The matter was resolved by returning the employee to the unit and position the employee was hired to fill.

Closed: Procedures Changed/Reinforced

Human Resources**Case ID Number: 2011-084**

The reporter and circumstances outlined in the case are identical to those stated in case# 2011-081.

Closed: Procedures Changed/Reinforced

Human Resources**Case ID Number: 2011-081**

Reporter stated certain demographic age information about employees related to Succession Planning to be distributed outside of Human Resources is confidential and not necessary to proper succession planning. The CalPERS succession planning model was revised to report only years of state service. This number will be used to indicate the potential risk for retirement.

Closed: Procedures Changed/Reinforced

Safety, Health and the Environment**Case ID Number: 2011-082**

CalPERS employee alleged that a manager in the employee's unit was disrespectful to staff and showed favoritism. The allegation was substantiated.

Closed: Counseled (verbal/written warning)

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Human Resources

Case ID Number: 2011-091

The reporter alleged that a CalPERS manager made sexually inappropriate comments during a staff meeting. The allegation was substantiated.

Closed: Counseled (verbal/written warning)

Human Resources

Case ID Number: 2011-92

The reporter alleged that a long term care (LTC) reimbursement check that should have been sent to her father was sent to the skilled facility in error. The reporter made several attempts to resolve the matter before contacting the helpline. CalPERS worked with the third party LTC administrator to resolve the matter. The reimbursement check was reissued, and the original claim payment was re-serviced and correctly applied to the deductible period.

Closed: Procedures Changed/Reinforced

Human Resources

Case ID Number: 2011-096

A CalPERS retiree who moved outside of the Kaiser contract area signed up for Anthem Blue Cross. After the change, the member was directly billed for medical services and received conflicting statements from Medicare, Anthem and Kaiser. CalPERS staff contacted Kaiser who corrected the member's disenrollment date. As a result, the member's benefits could be processed with Anthem including the amount billed for medical services.

Closed: CalPERS Member's Benefits Adjusted

Badging or Access Control

Case ID Number: 2011-097

It was alleged that a CalPERS employee was subleasing a Lincoln Plaza North parking space from a former employee. The allegation was substantiated and the parking pass was canceled.

Closed: Counseled (verbal/written warning)

Badging or Access Control

Case ID Number: 2011-098

It was alleged that a CalPERS employee was subleasing a Lincoln Plaza parking space from a current CalPERS employee. The allegation was substantiated, and the badge was returned to the assigned employee.

Closed: Counseled (verbal/written warning)

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Human Resources

Case ID Number: 2011-100

A reporter alleged that despite being told she was a CalPERS member by her public agency employer, she had not received any documentation confirming membership. CalPERS staff determined that the reporter qualified for membership in early 2011.

Closed: CalPERS Member Benefits Adjusted

Accounting & Auditing Matters

Case ID Number: 2011-101

A CalPERS member paid off his additional service time, but claimed CalPERS had not corrected his retirement amount. CalPERS staff reviewed the matter and advised the member he would be reimbursed money that was incorrectly deducted.

Closed: CalPERS Member Benefits Adjusted

Fraud

Case ID Number: 2011-108

A CalPERS member alleged he received an email from a loan officer soliciting a CalPERS home loan. The allegation was substantiated.

Closed: Reprimand Letter
